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MGM, Penn National, Ameristar release preliminary plans for casino

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By G. Michael Dobbs

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SPRINGFIELD — The city released the information the three casino developers had submitted as part of the requirement of the first phase of the Request for Proposal process to secure a host agreement with Springfield.

Kevin Kennedy, the city's chief development officer, has explained that much greater depth of detail will be part of the second phase of the selection procedure. The answers to the questions in Phase One reveal the partners and ownerships of the casinos as proposed as well as the cost of the developments and the features of the casino resort.

The information shows the Picknelly brothers, Peter and Paul, are in competition as part owners of two of the three proposals. The documents also reveal that Penn National is confident of its chances it will develop the Page Boulevard site owned by Ameristar Casinos into a retail development.

MGM Resorts International

MGM Resorts International has formed a new company, Blue Tarp Redevelopment LLC, as the corporate entity that owns its Springfield location. The majority owner would be MGM and the minority owners (their share of ownership was kept confidential) include Paul Picknelly, Francis Cataldo Jr. and Thomas Murphy.

MGM Resorts has also entered into an agreement with Rolling Hills Estates Realty Trust, which would receive certain payments based on a percentage of gross revenue in the event that MGM Springfield is successful in securing a license to develop and operate a gaming facility in the city. The principals of

Rolling Hills are Vincent F. Barletta and David J. Callahan.

The company has also partnered with Davenport Companies to lead development of the entertainment, retail, office and residential components of the project.

MGM Resorts will manage the casino. The projected total costs for the development is approximately \$750 to 800 million. Financing is in place.

The MGM complex is to be constructed on an approximately 10- to 15-acre site bounded by Main Street and East Columbus Avenue and State Street and Union Street.

The project includes a four-star luxury hotel comprised of 264 standard guest rooms and 20 VIP suites; approximately 40,000 square feet of meeting/convention space; a 10,000 square-foot spa, including an indoor pool, fitness center and spa; approximately 25 apartment units; refurbishment of two existing buildings — 101 and 95 State St.; a direct pedestrian bridge across State and Main Streets connecting to the MassMutual Center is planned as part of the project; 4,850 parking spaces; a casino with 2,700 to 3,000 slot machines, 75 table games, 25 poker tables, and a VIP-gaming area and 12,000 square feet of branded retail.

MGM will also propose to the city a plan to help restore Union Station by locating its regional corporate office (as well as certain back of the house areas for the Springfield project) and a regional training institute in the building.

The casino's Entertainment Square is expected to be located between Union and Howard streets and will feature: movie cinemas (12 to 15 screens), 80,000 square feet of retail including popular and quality brands, luxury bowling with 12 to 16 lanes and an outdoor plaza that will feature video displays and outdoor areas for events, concerts and shows.

Other amenities being planned include the following: trolley service connecting 15 points of interest throughout Springfield; collaboration with MassMutual Center and Symphony Hall and City Stage; and a riverfront jetty and boat dock to connect patrons and public to Six Flags, if feasible, based on ongoing studies of river water levels, according to the documents.

Penn National

Penn National will form Springfield Gaming and Redevelopment, LLC, which will be owned by two members: Western Massachusetts Gaming Ventures, LLC (an entity owned 100 percent by Delvest Corp., which is in turn owned 100 percent by Penn National Gaming Inc.) and a to-be-formed Massachusetts limited liability company to be owned by Peter A. Picknelly and trusts for members of his family.

Penn National will manage the casino. No outside management company will be utilized and it is expected to cost is \$807 million.

The company states it expects to finance the \$807 million estimated cost with cash on hand and availability under Penn's current bank line of credit (which as of June 30 was \$511 million).

The casino complex would be constructed on a 13.4-acre site located in the North End and believes it controls or will control the site within 90 days.

In addition to Hollywood Casino Springfield, Penn National is "exploring several potential options for developing its 20 acres on Springfield's waterfront. Current plans include potential mixed-use retail and housing developments as well as a potential major retailer and even the possibility of student housing for higher education."

Other components of the plans include: relocating the newsroom and office personnel of The Republican newspaper to a new downtown location; creating a "Village Square;" creating a new printing plant for The Republican newspaper at Smith and Wesson Industrial Park; attracting a large retailer to build at the Page Boulevard property currently owned by Ameristar Casinos Inc.; relocating the Peter Pan bus terminal and transportation center to Union Station, where Penn National also would explore additional ways to incorporate that facility into its long-term plans including expanding the parking deck and locating significant office space for its employees; and helping to refurbish Paramount Theater.

Penn's casino is expected to be more than 300,000 square feet including 3,000 to 3,500 slot machines, 80 to 100 table games, 20 to 30 poker tables, a hotel of 300 to 500 rooms, 30,000 to 45,000 square feet of meeting/convention space, structured parking for 4,000 to 5,000 vehicles, several dining options, a night club/ultra lounge and a spa.

Ameristar Casinos

Ameristar Casinos Inc. has formed Ameristar Casino Springfield LLC, and Ameristar would manage the casino complex.

Projected total costs for the development is \$910 million, which would be financed with \$710 million of its current credit structure and from free cash flow from operations. Ameristar would finance the remaining \$200 million through additional borrowings from Ameristar's existing credit group.

Ameristar would build its casino on a 40-acre site located on Page Boulevard. No businesses or residents will be displaced for the project.

The casino complex will contain a 150,000 square-foot casino with 110 table games (including poker) and 3,300 slot machines; a hotel with 500 rooms including 50 suites; multiple swimming pools, a full-service spa and retail outlets; diverse dining options; and an 18,000 square-foot entertainment/meeting space.

There would be two multiple-level parking structures for about 4,300 vehicles.



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